

**EXHIBIT L**

### 3 Former UBS Bankers Sentenced for Bid-Rigging - NYTimes\_com

A federal jury convicted all three former bankers last August of conspiring to defraud municipal bond issuers and also convicted Mr. Ghavami and Mr. Heinz of wire fraud. UBS agreed in 2011 to pay \$160 million in restitution, penalties and disgorgement for the scheme.

Prosecutors had sought sentences of at least 19 and a half years for Mr. Heinz, at least 17 and a half years for Mr. Ghavami and at least 11 years and three months for Mr. Welty.

Judge Wood cut the range of potential sentences for all three on Wednesday, saying that their criminal behavior was aberrational from their otherwise law-abiding lives, and because the victims have been “compensated highly” by the UBS settlement.

Kalina M. Tulley, a lawyer at the Justice Department’s Antitrust Division, said Judge Wood’s reduction in sentencing ranges “greatly underestimates the seriousness of the offense.”

“These were municipalities that were looking to invest the taxpayers’ money,” Ms. Tulley pleaded with Judge Wood, to no avail, in a courtroom filled with the bankers’ friends and families. “These defendants abused that trust.”

Mr. Ghavami, a Belgian national, was the first of three former members of UBS’s municipal securities desk to be sentenced.

“I’ve always tried to conduct my life with integrity and consideration,” Mr. Ghavami told the judge before apologizing to affected municipalities and his wife, Julie, and daughter, Athena. “All I want to do is to protect Julie and Athena from harm and to get to the point where we can be a family again.”

Mr. Ghavami will be deported to Belgium after serving his sentence at a low-security federal prison. Mr. Heinz and Mr. Welty are eligible to serve their sentences at a minimum security camp, an option not available to Mr. Ghavami because he is not an American citizen.

The Justice Department charged Mr. Heinz, Mr. Ghavami and Mr. Welty in 2010 as part of its broad investigation of the \$3.7 trillion municipal bond market, in which at least 19 people have been convicted or pleaded guilty.

“For years, these executives corrupted the competitive bidding process and defrauded municipalities across the country for important public works projects,” Scott D. Hammond, deputy assistant attorney general of the antitrust division’s criminal enforcement program, said in a statement after the sentencing. “The division will continue to prosecute those who subvert and corrupt competitive markets for personal profit.”

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July 24, 2013

### 3 Former UBS Bankers Sentenced for Bid-Rigging

By REUTERS

Three former UBS bankers were sentenced to prison on Wednesday for deceiving cities and towns by rigging bids to invest municipal bond proceeds, but the sentences were just a fraction of what prosecutors had sought.

Gary Heinz, 40, a former bank vice president who was caught on recordings discussing the scheme, received the longest prison sentence, a term of 27 months. Judge Kimba M. Wood of Federal District Court in Manhattan also ordered Mr. Heinz to pay a \$400,000 fine.

Peter Ghavami, 45, who left UBS in 2007 as global head of commodities, was sentenced to 18 months in prison and ordered to pay a fine of \$1 million. Michael Welty, 49, a former vice president, was sentenced to 16 months and ordered to pay a \$300,000 fine.

"We're very pleased at the outcome and we feel that justice was done," said Charles A. Stillman, a lawyer for Mr. Ghavami.

Prosecutors said the bankers had steered financial contracts to their friends in exchange for kickbacks and other favors from 2001 to 2006, while falsely certifying that the processes were competitive.

# Bloomberg

## Ex-BofA Executive Indicted for Fraud in Bond Probe

By Tom Schoenberg and Martin Z. Braun - Jul 20, 2012

A former Bank of America Corp. executive was indicted for allegedly participating in what prosecutors said was a “far-reaching conspiracy” to defraud municipal bond investments through bid rigging.

Phillip D. Murphy, former head of Bank of America’s municipal derivatives desk, was charged with conspiracy to defraud the U.S., wire fraud and conspiracy to make false entries in bank records, according to the indictment filed yesterday in federal court in Charlotte, North Carolina.

Murphy “allegedly participated in a complex fraud scheme and conspiracies to manipulate what was supposed to be a competitive process,” Scott D. Hammond, a deputy assistant attorney general in the Justice Department’s Antitrust Division, said in an e-mailed statement. “The division recently convicted at trial several individuals in this investigation, which is ongoing.”

So far, 13 individuals from banks including Bank of America, JPMorgan Chase & Co. (JPM) and UBS AG (UBSN) have pleaded guilty in the Justice Department’s investigation. Bank of America, JPMorgan, UBS, Wells Fargo & Co. (WFC) and General Electric Co. have paid more than \$700 million in restitution and penalties.

### Four Years

Bank of America, which self-reported the illegal activity, has been cooperating for more than four years with Justice Department prosecutors who say that bankers paid kickbacks to CDR Financial Products to rig bids on investment contracts sold to local governments. Municipalities bought the contracts with money raised through bond sales, which allowed them to earn a return until the funds were needed for schools, roads, and other public works.

From 1998 until 2006, Murphy allegedly conspired with CDR Financial Products to increase the number of and profitability of investment agreements and municipal finance contracts that went to the bank, according to the indictment. Murphy won auctions for the investment contracts after other banks submitted intentionally losing bids, the government said.

**EXHIBIT M**

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

UBS FINANCIAL SERVICES INC.,

Defendant.

C.A. No. 11-25384-WJM

**FINAL JUDGMENT AS TO DEFENDANT UBS FINANCIAL SERVICES INC.**

The Securities and Exchange Commission having filed a Complaint and Defendant UBS Financial Services Inc. having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 15(c) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78o(c)] by using any means or instrumentality of interstate commerce to effect transactions in, or to induce or

attempt to induce the purchase or sale of, securities by means of a manipulative, deceptive or other fraudulent device or contrivance, including:

- (a) any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, and
- (b) any untrue statement of a material fact and any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, which statement or omission is made with knowledge or reasonable grounds to believe that it is untrue or misleading.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$9,606,543, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$5,100,637, and a civil penalty in the amount of \$32,500,000 pursuant to Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. Defendant shall satisfy this obligation by distributing the \$47,207,180 as set forth below. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant.

In accordance with the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002, Defendant shall, within 30 days after entry of this Final Judgment pay an aggregate amount of \$47,207,180 in the amounts and to the entities or their successors or assigns identified

on Attachment A hereto and incorporated herein by reference, together with a notice identifying UBS Financial Services Inc. as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit evidence of receipt of each such payment and notice to the attention of Elaine C. Greenberg, Chief, Municipal Securities and Public Pensions Unit and Associate Regional Director, Securities and Exchange Commission, Philadelphia Regional Office, 701 Market Street, Suite 2000, Philadelphia, PA 19106.

Regardless of the Fair Fund distribution, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that it is entitled to, nor shall it further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant or one of its affiliates by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

IV.

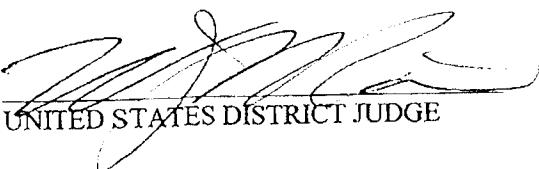
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

V.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated:

5/6/11

  
UNITED STATES DISTRICT JUDGE

## **ATTACHMENT A**

**UBS FINAL JUDGMENT ATTACHMENT**

<u>Bid Date</u>	<u>Bond Offering</u>	<u>Payer</u>	<u>Amount</u>
10/12/2000	\$120,150,000 New Mexico Educational Assistance Foundation, Education Loan Bonds, 2000 Series A-1, A-2, A-3 & B	New Mexico Educational Assistance Foundation	\$342,042.70
3/21/2001	\$82,565,000 San Diego Area Housing Finance Authority, Series 2001 A & B	San Diego Area Housing Finance Authority	\$235,131.23
4/19/2001	\$31,705,000 Oxnard Union High School District, 2001 General Obligation Refunding Bonds, Series A	Oxnard Union High School District	\$90,257.71
4/24/2001	\$71,700,000 Riverside-San Bernardino Housing & Finance Agency, California, Variable Rate Lease Revenue Pass-Through Obligations, (Lease Purchase Program), 2001 Series A and 2001 Series B	Riverside-San Bernardino Housing & Finance Agency	\$204,115.37
5/2/2001	\$10,255,000 West Contra Costa Unified School District 2001 General Obligation Refunding Bonds, Series B	West Contra Costa Unified School District	\$29,193.91
5/15/2001	\$37,650,000 University Care Corporation University Lease Revenue Certificate, Series 2001A, Selected Auction Variable Rate Securities (SAVRS)	University of Medicine and Dentistry of New Jersey	\$107,181.92
5/29/2001	\$25,000,000 Massachusetts Health and Higher Educational Facilities Authority, Tufts University Issue, Series G (Second Tranche) Select Auction Variable Rate Securities	Tufts University	\$71,169.93
5/30/2001	\$24,105,000 Pomona Unified School District General Obligation Refunding Bonds, Series A of 2001	Pomona Unified School District	\$68,622.05
6/11/2001	\$55,000,000 California Cities Home Ownership Authority Variable Rate Lease Revenue Pass-Through Obligations (Lease Purchase Program) 2001 Series A and \$5,750,000 California Cities Home Ownership Authority Subordinated Variable Rate Lease Revenue Pass-Through Obligations (Lease Purchase Program) 2001 Series B	California Cities Home Ownership Authority	\$172,842.94
6/19/2001	Educational Facilities Authority for Private Nonprofit Colleges of Higher Learning \$10,000,000 Educational Facilities Revenue Bonds (Columbia College Project), Series 2001	Columbia College	\$28,467.97
6/20/2001	\$55,970,000 District of Columbia University Revenue Bonds (The George Washington University Issue) Series 2001-A	The George Washington University	\$158,331.25
6/21/2001	\$59,890,000 Massachusetts Development Finance Agency Revenue Bonds, Mount Holyoke College, Series 2001	Mount Holyoke College	\$170,494.69
7/24/2001	\$37,870,000 Missouri Health and Educational Facilities Authority ("MOHEFA") (Sisters of Mercy Health System) Health Facilities Revenue Bonds,	Sisters of Mercy Health System	\$1,078,082.16
8/13/2001	\$51,900,000 Golden Empire Schools Financing Authority 2001 Variable Rate Demand Lease Revenue Bonds (Kern High School District Projects)	Kern High School District	\$146,894.74
8/20/2001	\$152,675,000 New York City Industrial Development Agency Special Airport Facility Revenue Bonds (2001 Arms JFK I, LLC Project at JFK International Airport) Series 2001A	2001 Arms JFK I, LLC	\$434,634.79

**UBS FINAL JUDGMENT ATTACHMENT**

Bid Date	Bond Offering	Payer	Amount
8/21/2001	\$518,063,012 Health & Education Facilities Authority of the State of Missouri, Missouri School District Direct Deposit Program for School Districts in the State of Missouri	Health & Education Facilities Authority of the State of Missouri	\$1,474,820.41
8/23/2001	\$7,300,000 Illinois Development Finance Authority Variable Rate Demand Revenue Bonds (WTVTP Channel 47 Project) Tax Exempt Corporation Series 2001-A and \$3,000,000 Illinois Development Finance Authority Variable Rate Demand Revenue Bonds (WTVTP Channel 47 Project) Tax Exempt Corporation Series 2001-B	Illinois Valley Public Telecommunications	\$29,322.01
8/24/2001	\$26,000,000 Okmulgee Public Works Authority Capital Improvement Revenue Bonds, Series 2001A and Series 2001B	Okmulgee Public Works Authority	\$74,018.73
8/29/2001	\$20,920,000 Oxnard School District (County of Ventura, California) Oxnard School District	Oxnard School District	\$59,555.00
9/17/2001	City of Boynton Beach, Florida \$24,400,000 Utility System Revenue Refunding Bonds, Series 2002	City of Boynton Beach, Florida	\$68,461.86
9/26/2001	\$304,970,000 City of Detroit, Michigan Sewage System Refunding Revenue Senior Lien Bonds, Series 2001 and Sewage Disposal System Revenue Senior Lien Bonds, Series 2001(C)	City of Detroit Michigan	\$887,903.11
10/5/2001	\$145,000,000 California Infrastructure and Economic Development Bank Revenue Bonds (The J. David Gladstone Institutes Project), Series 2001	J. David Gladstone Institutes	\$412,785.62
10/10/2001	\$1,292,960,000 Commonwealth of Puerto Rico Public Improvement Bonds of 2002, Series A and Public Improvement Refunding Bonds, Series 2002A (General Obligation Bonds)	Commonwealth of Puerto Rico	\$3,680,795.11
10/23/2001	City of Clearwater, Florida \$11,470,000 Improvement Revenue Refunding Bonds, Series 2000	City of Clearwater, Florida	\$32,652.77
10/24/2001	\$28,610,000 West Contra Costa Unified School District General Obligation Refunding Bonds, Series 2001A	West Contra Costa Unified School District	\$81,446.87
10/29/2001	\$248,360,000 New Jersey Health Care Facilities Financing Authority Revenue Bonds (Meridian Health System Obligated Group Issue), Series 1999	Meridian Health System	\$688,398.30
10/30/2001	\$823,845,000 Commonwealth of Massachusetts General Obligation Bonds, Consolidated Loan of 2001, Series D	Commonwealth of Massachusetts	\$2,345,319.77
11/14/2001	\$14,998,105 Western Placer Unified School District Convertible Capital Appreciation Certificates of Participation (2001 Land Acquisition Program)	Western Placer Unified School District Financing Corporation	\$42,896.57
11/29/2001	\$353,905,000 City of Chicago Water Revenue Bonds, Series 2001	City of Chicago	\$1,007,495.82
12/12/2001	\$150,000,000 Housing Authority of Fulton County, Georgia Variable Rate Demand Bonds, Series 2001 (Legacy Community Partnership, Inc.)	Housing Authority of Fulton County	\$427,018.60
12/13/2001	\$27,825,000 California Communities Housing and Finance Agency, Variable Rate Lease Revenue Pass-Through Obligations (Lease Purchase Program), 2001 Series A and Subordinated Variable Rate Lease Revenue Pass-Through Obligations, (Lease Purchase Program) 2001 Series B	California Communities Housing and Finance Agency	\$79,212.14

**UBS FINAL JUDGMENT ATTACHMENT**

<u>Bid Date</u>	<u>Bond Offering</u>	<u>Payer</u>	<u>Amount</u>
12/13/2001	\$44,650,000 Harrisonburg Redevelopment and Housing Authority Variable Rate Lease Purchase Revenue Bonds, 2001 Series A and Subordinated Variable Rate Lease Purchase Revenue Bonds.	Harrisonburg Redevelopment and Housing Authority	\$127,137.97
12/13/2001	\$22,760,000 Pacific Housing & Finance Agency Variable Rate Lease Revenue Pass-Through Obligations (Lease Purchase Program) 2001 Series A and Subordinated Variable Rate Lease Revenue Pass-Through Obligations (Lease Purchase Program)	Pacific Housing & Finance Agency	\$64,793.11
12/18/2001	\$25,300,000 Director of the State of Nevada Department of Business and Industry Variable Rate Demand Solid Waste Disposal Revenue Bonds (Republic Services, Inc. Project), Series 2001	Republic Services, Inc.	\$71,188.93
1/17/2002	California Educational Facilities Authority: Variable Rate Demand Revenue Bonds \$21,800,000 California Educational Facilities Revenue Bonds (Santa Clara University), Series 2002A and the \$10,350,000 California Educational Facilities Authority Variable Rate Demand Revenue Bonds (Santa Clara University), Series 2002B	Santa Clara University	\$91,089.05
1/24/2002	\$700,855,000 Puerto Rico Highway and Transportation Authority, Puerto Rico Highway and Transportation Pass-Through Revenue Refunding Bonds (2002 Series D)	Puerto Rico Highway and Transportation Authority	\$1,995,192.16
1/24/2002	\$43,000,000 Pulaski County (Arkansas) Variable Rate Lease Revenue Pass-Through Obligations (Lease Purchase Program) 2002 Series A and Subordinated Variable Rate Lease Revenue Pass-Through Obligations (Lease Purchase Program) 2002 Series B	Pulaski County, Arkansas	\$122,412.29
1/25/2002	\$6,973,800 New York City Industrial Development Agency Civil Facility Revenue Bonds (Special Needs Facilities Pooled Program), Series 2001A-1 and Series 2001A-2	New York City Industrial Development Agency	\$19,853.00
1/28/2002	\$32,135,000 Kentucky Economic Development Finance Authority Revenue Bonds Series 2001 (Catholic Health Initiatives); \$219,265,000 Colorado Health Facilities Authority Revenue Bonds, Series 2001 (Catholic Health Initiatives); and \$9,315,000 Montgomery County, Ohio Revenue Bonds, Series 2001 (Catholic Health Initiatives)	Catholic Health Initiatives	\$999,288.57
3/5/2002	\$94,000,000 Rhode Island Housing and Mortgage Finance Corporation Homeownership Opportunity Bonds, Series 39-A (Non-Corporation AMT), Series 39-B (AMT) and Series 39-C (AMT) Educational Loan Revenue and Refunding Bonds, Issue E, Series 2002	Rhode Island Housing and Mortgage Finance Massachusetts Educational Financing Authority	\$267,598.55
3/13/2002	\$1,17,055,000 County of Fresno Taxable Pension Obligation Bonds, Refunding Series 2002	County of Fresno, California	\$333,231.66
3/20/2002	\$60,000,000 North Carolina Capital Facilities Finance Agency Variable Rate Revenue Bonds (Wolfpack Club Project), Series 2002	North Carolina State University Student Aid Association, Inc.	\$113,871.89
3/21/2002	\$85,403.92 Revenue Bonds (Guthrie Health Issue), Series B of 2002	Guthrie Health	

UBS FINAL JUDGMENT ATTACHMENT

Bond Offering	Bond Date	Payee	Amount
\$60,000,000 Health Care Facilities Authority of Sayre (Pa) Revenue Bonds (Guthrie Health Issue) Series B of 2002	3/27/2002	Guthrie Health	\$85,403.92
\$27,000,000 City of Tampa, Florida Revenue Bonds, Series 2002 (University of Tampa Project)	3/22/2002	University of Tampa	\$76,863.53
\$50,000,000 Harris County Health Facilities Development Corporation Revenue Bonds (Young Men's Christian Association of the Greater Houston Area) Series 1998	4/11/2002	Houston YMCA	\$142,339.87
\$33,845,000 Industrial Development Authority of the County of Pima (Arizona) Variable Rate Lease Purchase Revenue Bonds, Series 2002	4/18/2002	Industrial Development Authority of the County of Pima	\$98,349.86
\$153,230,000 Regional Transportation District (Co) Sales Tax Revenue Bonds, Series 2002B	4/23/2002	Regional Transportation District	\$436,214.76
\$13,055,000 California Educational Facilities Authority Variable Rate Demand Revenue Refunding Bonds (Art Center College of Design) 2002 Series B	5/7/2002	Art Center College of Design	\$37,164.94
\$51,900,000 Hospital Authority of Clarke County, Georgia Revenue Certificates (Athens Regional Medical Center Project), Series 2002	5/21/2002	Athens Regional Medical Center	\$147,748.78
\$89,200,000 Public Property Finance Corporation of Texas Mental Health and Mental Retardation Centers, Public Property Finance Corporation of Texas Mental Health and Mental Retardation Center Health and Mental Retardation Center Facilities Acquisition Program Acquisition and Refunding Bonds, Series 1993, \$10,000,000 Dallas County Mental Health Retardation Center Revenue Bonds, Mental Health and Mental Retardation Center Facilities Acquisition Program, Series 1985; \$3,375,000 Texas Community MMHRR Centers Revenue Bonds, Mental Health, Retardation and Mental Retardation Center Facilities Acquisition Program, Series 1995 A-E; \$5,900,000 Public Property Finance Corporation of Texas Mental Health and Mental Retardation Center Facilities Acquisition Program, Revenue Bonds, Series 1996.	5/28/2002	Mental Health and Mental Retardation Center	\$320,193.53
\$123,715,000 New York State Environmental Facilities Corporation State Clean Water and Drinking Water Revolving Funds Revenue Bonds, Series 2002F ("Pooled Financing Program - MFI Refunding Bonds") \$120m T	5/30/2002	New York State Environmental Facilities Corporation	\$352,181.53
\$56,815,000 The Governmental Utility Services Corporation of the City of Bassamer (Ala) Water Supply Revenue Bonds, Series 1988	6/4/2002	The Governmental Utility Services Corporation of the City of Bassamer	\$161,740.79
\$20,105,000 Centinela Valley Union High School District (California), 2002 General Obligation Refunding Bonds, Series A	6/4/2002	Centinela Valley Union High School District	\$57,234.86
\$20,105,000 Centinela Valley Union High School District 2002 General Obligation Refunding Bonds, Series A	6/6/2002	Centinela Valley Union High School District	\$57,234.86
\$37,500,000 Maryland Economic Development Corporation General Rate Demand Student Housing Revenue Bonds (University of Maryland Baltimore County Project)	6/11/2002	University of Maryland	\$106,754.90
\$385,000,000 Puerto Rico Electric Power Authority Power Revenue Refunding Bonds, Series KK		Puerto Rico Electric Power Authority	\$1,096,016.98

**UBS FINAL JUDGMENT ATTACHMENT**

Bld Date	Bond Offering	Payer	Amount
6/12/2002	\$25,000,000 Mississippi Home Corporation Variable Rate Lease Revenue Pass-Through Obligations (Lease Purchase Program)	Mississippi Home Corporation	\$71,169.93
6/12/2002	2002 Series A	Southeast Missouri Hospital Association	\$125,116.74
6/12/2002	\$43,960,000 Industrial Development Authority of the County of Cape Girardeau, Missouri Bonds (Southwest Missouri Hospital Association), Series 2002	San Gabriel Unified School District	\$80,341.85
6/17/2002	\$28,432,600 San Gabriel Unified School District Election of 2002 General Obligation Bonds, Series A	Municipality of Anchorage, Alaska	\$974,529.90
6/18/2002	\$140,180,000 Municipality of Anchorage, Alaska 2002 General Obligation and Refunding Bonds, Series A (General Purpose) and \$202,145,000 Series B (Schools)	Commonwealth of Massachusetts	\$6,475,510.30
6/19/2002	\$2,274,615,000 Commonwealth of Massachusetts General Obligation Refunding Bonds, 2002 Series A and Consolidated Loan of 2002, Series C	New Jersey Transit Corporation	\$638,109.63
6/20/2002	\$224,150,000 New Jersey Transit Corporation Certificates of Participation (Series 2002A) Subordinated Certificates of Participation (2002 B)	Tobacco Settlement Financing Corporation	\$1,951,186.44
6/20/2002	\$35,660,000 Tobacco Settlement Asset-Backed Bonds, Series 2002A (Tax-Exempt) and \$35,660,000 Tobacco Settlement Asset-Backed Bonds, Series 2002B (Taxable)	Rhode Island Tobacco Settlement Financing Corporation	
6/27/2002	\$75,415,000 City of Bridgeport, Connecticut General Obligation Refunding Bonds, 2002 Series A dated June 15, 2002	City of Bridgeport	\$214,691.22
6/28/2002	\$18,500,000 McAlester Public Works Authority (Oklahoma) Utility System Revenue Bonds, Series 2002	McAlester Public Works Authority	\$52,865.75
7/1/2002	\$30,000,000 City of Fort Lauderdale, Florida Revenue Bonds (Pine Crest Preparatory School, Inc. Project), Series 2002	Pine Crest Preparatory School, Inc.	\$85,403.92
7/24/2002	\$6,755,000 Holdenville Public Works Authority (OK) Taxable Utility System Refunding Revenue Bonds, Series 2002 (dated August 1, 2002) and exchangeable for tax-exempt bonds on Oct. 1, 2003	Holdenville Public Works Authority	\$19,230.12
8/14/2002	\$81,050,000 Vallejo City Unified School District, 2002 General Obligation Refunding Bonds, Series A	Vallejo City Unified School District	\$173,825.45
8/15/2002	\$9,180,000 California Fairs Financing Authority Custodial Receipts (Equipment Lease Purchase Agreement dated August 15, 2002)	California Fairs Financing Authority	\$26,133.60
8/16/2002	\$114,500,000 Allegheny County Airport Authority, Series 2002 AMT Airport Revenue Refunding Bonds	Allegheny County Airport Authority	\$325,958.30
9/23/2002	\$45,325,000 Pleasant Valley School District, 2002 General Obligation Refunding Bonds, Series A	Pleasant Valley School District	\$130,454.49
9/26/2002	\$23,240,000 Community Facilities District No. 98-1 of the Corona-Norco Unified School District, 2002 Special Tax Bonds, Series A	Corona-Norco Unified School District	\$66,155.57
9/26/2002	\$121,150,000 Board of Port Commissioners of the City of Oakland, CA Refunding Revenue Bonds, 2002, Series N (AMT)	Board of Port Commissioners of the City of Oakland	\$344,885.50
9/27/2002	\$56,000,000 Forsyth County Hospital Authority Revenue Anticipation Certificates (Georgia Baptist Health Care System Project), Series 1998	Georgia Baptist Health Care Ministry Foundation, Inc.	\$156,986.64

**UBS FINAL JUDGMENT ATTACHMENT**

Bid Date	Bond Offering	Face	Amount
10/8/2002	\$620,000,000 Board of Port Commissioners of the City of Oakland, CA Revenue Bonds 2002 Series L (AMT) and Series M (non-AMT)	Board of Port Commissioners of the City of Oakland	\$1,785,014.38
10/15/2002	\$173,565,000 Cook County, Illinois General Obligation Refunding Bonds, Series 2002D	Cook County Illinois	\$494,104.38
11/16/2002	\$85,495,000 Fresno Unified School District, 2002 General Obligation Refunding Bonds, Series A	Fresno Unified School District	\$186,422.32
11/20/2002	\$242,770,000 Minnesota Housing Finance Agency Residential Housing Finance Bonds, 2001 Series A, B, C, and D, and 2002 Series I, J, and K	Minnesota Housing Finance Agency	\$691,116.99
12/5/2002	\$99,406,000 New Mexico Educational Assistance Foundation, Education Loan Bonds, Senior Series 2002A-1, 2002A-2, and 2002A-3	New Mexico Educational Assistance Foundation	\$254,503.68
2/5/2003	\$33,015,000 Monroe Newpower Corp. (NY) Power Facilities Revenue Bonds, Series 2003	Monroe Newpower Corp.	\$93,987.01
2/28/2003	\$25,965,000 Delaware Solid Waste Authority, Solid Waste System Revenue Bonds, Series of 1995	Delaware Solid Waste Authority	\$73,917.09
3/6/2003	\$53,845,000 ABAG Finance Authority for Nonprofit Corporations, Variable Rate Lease Revenue Pass-Through Obligations (Lease Purchase Program) Series 2003	ABAG Finance Authority for Nonprofit Corporations	\$153,285.90
3/11/2003	\$43,555,000 Hospital Authority of the City of Newnan, Georgia Revenue Anticipation Certificates (Newman Hospital, Inc. Project) Series 2002	Newman Hospital, Inc.	\$123,992.26
3/20/2003	\$51,485,000 City of Stamford, Connecticut General Obligation Refunding Bonds, Issue of 2003	City of Stamford	\$146,567.36
3/28/2003	\$1,050,675,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants, Series 2003-B	Jefferson County, Alabama	\$2,991,058.81
4/3/2003	\$21,660,000 The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2003A	Regents of the University of New Mexico	\$61,661.63
4/25/2003	\$18,740,000 ABC Unified School District (California) 2003 General ABC Unified School District Obligation Refunding Bonds, Series A	ABC Unified School District	\$53,348.98
4/25/2003	\$20,000,000 The Edmond Public Works Authority (Oklahoma) Sales Tax and Utility System Revenue Bonds, Series 2003	The Edmond Public Works Authority	\$58,935.95
6/6/2003	\$30,475,000 City of Port Orange, Fla Water And Sewer Refunding Revenue Bonds, Series 2003	City of Port Orange, Fla	\$86,756.15
7/22/2003	\$65,475,936.81 Kenton County Airport Board Special Facilities Revenue Bonds, 2003 Series A (Airs Cincinnati, LLC Project)	Airs Cincinnati, LLC	\$188,398.72
8/14/2003	\$30,850,000 County of Spotsylvania, Va Water and Sewer System Revenue Bonds, Series of 2001	County of Spotsylvania	\$87,823.70
8/21/2003	\$212,380,000 State of Hawaii General Obligation Refunding Bonds of 2003, Series DB, and General Obligation Refunding Bonds of 2003, Series DC	State of Hawaii	\$604,602.82
10/30/2003	\$26,685,000 Delano Joint Union High School District, 2003 General Obligation Refunding Bonds, Series A	Delano Joint Union High School District	\$75,986.79
11/13/2003	\$45,000,000 West Virginia Water Development Authority Infrastructure Development Bonds (West Virginia Infrastructure and Jobs Development Council Program) 2003 Series A	West Virginia Water Development Authority	\$128,105.88

**UBS FINAL JUDGMENT ATTACHMENT**

<u>Bid Date</u>	<u>Bond Offering</u>	<u>Payer</u>	<u>Amount</u>
4/6/2004	\$7,500,000 Pismo Beach Public Financing Authority (California) 2004 Revenue Bonds, Series A (Wastewater Project)	Pismo Beach Public Financing Authority	\$21,350.98
4/23/2004	\$86,790,994.55 San Jose -Evergreen Community College District 2004 General Obligation Refunding Bonds, Refunding Series A Bonds, Refunding Series B (2008 Crossover) Bonds, and Refunding Series C (2010 Crossover) Bonds	San Jose -Evergreen Community College District	\$275,544.35
5/18/2004	\$32,410,000 San Jose -Evergreen Community College District 2004 General Obligation Refunding Bonds and \$56,997,760 Election of 2004 General Obligation Bonds, Series A Draw Down Bonds, Series 2004A (Non-AMT) and Series 2004B (AMT)	San Jose -Evergreen Community College District	\$263,066.17
5/20/2004	\$500,000,000 Maine State Housing Authority General Housing Revenue and Refunding Bonds, Series 1988A and Series 2002	Maine State Housing Authority	\$1,423,398.38
6/1/2004	\$238,315,000 City of Richmond, VA Public Utility Revenue and Refunding Bonds, Series 2004	City of Richmond, VA	\$678,434.51
6/24/2004	\$200,000,000 Public Building Authority of the County of Montgomery, Adjustable Rate Pooled Financing Revenue Bonds, Series 2004 (Tennessee County Loan Pool)	Public Building Authority of the County of Montgomery	\$569,359.47
6/29/2004	\$150,000,000 Public Building Authority of the City of Clarksville Adjustable Rate Pooled Financing Revenue Bonds, Series 2004 (Tennessee Municipal Bond Fund)	Public Building Authority of the City of Clarksville	\$427,019.60
7/1/2004	\$141,800,000 School Building Authority of West Virginia Capital Improvement Revenue Bonds, Series 2004	School Building Authority of West Virginia	\$403,106.51
	\$58,040,000 Fresno Unified School District 2004 General Obligation Refunding Bonds, Series B	Fresno Unified School District	\$165,228.12
			\$47,207,180.00

# Bloomberg

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## Bank of America to Pay \$137 Million in Muni Cases

By Jeff Bliss and Martin Z. Braun - Dec 7, 2010

Bank of America Corp., agreed to pay \$137 million in restitution for its involvement in a conspiracy to rig bids on 88 municipal bond contracts, the U.S. Securities and Exchange Commission and Justice Department said.

Bank of America, based in Charlotte, North Carolina, agreed to pay \$36 million to settle an SEC case. The bank will pay an additional \$101 million to resolve investigations by other federal and state agencies, the SEC said.

Bank of America has been aiding a nationwide Justice Department antitrust probe of the \$2.8 trillion municipal market since at least 2007 in return for leniency. The investigation has ensnared more than a dozen banks, including JPMorgan Chase & Co., UBS AG, and Wachovia Corp., which was acquired by Wells Fargo & Co. in 2008, according to documents filed in federal court.

The company's "cooperation has led to an aggressive, ongoing investigation by the Department of Justice into anticompetitive activity in the municipal bond derivatives industry," Christine Varney, who heads the Justice Department's Antitrust Division, said in a statement.

Bank of America won't be prosecuted as long as it continues to cooperate with the government.

The settlement also involves 20 states, the Office of the Comptroller of the Currency, the Internal Revenue Service and the Federal Reserve Board, Connecticut Attorney General Richard Blumenthal said in a release.

### Remediation Efforts

"Bank of America is pleased to put this matter behind it and has already voluntarily undertaken numerous remediation efforts," the company said in a statement. The bank, which is still facing civil antitrust cases filed by Baltimore, Virginia's Fairfax County and others won't be subject to triple damages in those cases if it cooperates with plaintiffs.

Eight one-time bankers and financial advisers, including former employees of UBS, JPMorgan and Bank of America, have pleaded guilty in connection with the municipal bond investment bid-rigging probes.

In a case against one broker, CDR Financial Products Inc. of Los Angeles, prosecutors say the conspiracy included more than 200 deals involving state agencies, local governments and nonprofit groups from California to Massachusetts, according to documents filed in federal court. The scheme may have cost taxpayers more than \$1 billion, according to Steven Feinstein, a finance professor at Babson College in Wellesley, Massachusetts.

#### 'Looking Carefully'

The agreement with Bank of America for its conduct from 1997 to 2002 is the antitrust division's first in the case, Varney said in a conference call with reporters. The Justice Department is still "looking carefully" at the amount municipalities lost, Varney said. She declined to comment on the probe saying it was ongoing.

"We will use any and all tools at our disposal to prosecute corruption in the municipal bond market," Varney said in the teleconference. "These are taxpayer dollars that are being defrauded and we will not tolerate it."

Bank of America, which wasn't the leader or organizer of the bid-rigging conspiracy, according to the Justice Department, agreed to pay disgorgement and interest ranging from \$8,418 to Missouri's development finance agency to \$6.2 million to Massachusetts, according to the SEC.

"This settlement means that government agencies facing lower budgets will recover millions of dollars in restitution for money that they were deprived of by some unscrupulous bond- derivative investment advisers," said Jerry Brown, California attorney general and governor-elect, in a news release today.

#### UBS Arrest

On Dec. 1, Peter Ghavami, the former co-head of UBS's municipal derivatives group, was arrested as part of the four- year investigation after arriving in John F. Kennedy International Airport.

Ghavami, a Belgian national living in Moscow, faces a fraud charge tied to a \$100,000 kickback for steering an investment agreement with a U.S. state to another bank.

Former JPMorgan banker James L. Hertz on Nov. 30 admitted to participating in bid-rigging and fraud conspiracies and agreed to cooperate with prosecutors.

The Justice Department's criminal investigation centers on investment agreements that municipalities enter with money raised through bond sales.

#### Guaranteed Contracts

The so-called guaranteed investment contracts let them earn a return until the cash is needed for schools, roads or other public works. The U.S. Treasury Department encourages competitive bidding to ensure that localities get market rates.

Prosecutors have said that favored bankers got inside information from brokers who handled bidding for the contracts so they could carve up the market. In some cases, bankers admitted paying kickbacks to brokers.

In a \$65.2 million bond issue for the Beacon Tradeport Community development district in Florida handled by Bank of America, the bank recommended the broker who was handling the investment bids. Bank of America told the broker what it planned on bidding, allowing the broker to advise other banks where they shouldn't bid, the SEC said.

Bank of America paid the broker a \$50,000 kickback for steering the bids by disguising it as a fee in another deal.

The bank neither admitted nor denied the SEC's findings in agreeing to settle a related securities-fraud complaint, the agency said.

In September, Douglas Lee Campbell, a former municipal derivatives executive with the bank, pleaded guilty and agreed to cooperate. In May, Mark Zaino, who worked for UBS's municipal bond and derivatives trading desk from 2001 to 2006, pleaded guilty to participating in a conspiracy to rig bids for the contracts.

#### Shown Leniency

Bank of America's cooperation is an example of a Justice Department program under which the first company in a cartel to inform prosecutors about the illegal collusion is shown leniency. The program had been renewed on an annual basis until Varney earlier this year successfully lobbied Congress to extend the program until 2020.

"Any time you have a law that automatically sunsets every year, you create a lot of uncertainty," she said in an interview last month. "If you're a lawyer counseling a client, you're not so sure you want to recommend that they take advantage of the leniency program when you're not sure the leniency program is going to be there."

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**EXHIBIT N**

4829 Haverhill Street  
Detroit, MI 48224  
August 11, 2013

Senator Carl Levin  
McNamara Federal Building  
477 Michigan Avenue  
Suite 1860  
Detroit, MI 48226

Dear Senator Levin:

We are writing you as a group of retired City of Detroit workers who are facing the very real threat of losing our pensions in ongoing Federal bankruptcy court. We urgently ask you to meet with some of us in Detroit as soon as possible. We are asking for your help in getting the Securities and Exchange Commission (SEC) to intervene in the Detroit bankruptcy proceedings so that the fraudulent, predatory and criminal actions of the banks can be brought before the judge. Section 1109 a) of the bankruptcy law states: "The Securities and Exchange Commission may raise and may appear and be heard on any issue in a case under this chapter" which is incorporated into Chapter 9 bankruptcy by Section 901.

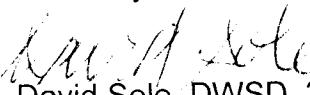
As co-author of the Levin-Coburn Report on the Financial Crisis issued April 13, 2011 by the U.S. Senate Investigations Subcommittee, you provided a powerful glimpse into the wrongdoing of the largest banks. As you may know, the SEC has many ongoing investigations and prosecutions of these same banks especially in relation to municipal bonds. In fact, on July 24 two former UBS vice presidents, along with the former UBS global head of commodities were sentenced to prison for deceiving cities and towns by rigging bids to invest municipal bond proceeds (Reuters, July 24). The New York Times reported on July 12 that the former head of Bank of America's municipal derivatives desk was charged with conspiracy to defraud the United States, wire fraud and conspiracy to make false entries in bank records. The Times also notes that 13 individuals from banks, including Bank of America, JPMorgan, UBS, Wells Fargo and General Electric have paid more than \$700 million in restitution and penalties. This is just the tip of the iceberg that the SEC is looking into.

While we are told our pensions are unsecured and must be sacrificed to pay off the banks, we believe a thorough examination of the banks themselves, in the mortgage crisis which destroyed Detroit's tax base and then the many bond swaps to the City government, very well might undermine the claims of the banks.

Please contact us right away so that we may explore these issues with you.

Thank you for your consideration.

Sincerely,

  
David Sole, DWSD, 21.5 yrs.

Walter G. Knall, Health Dept., 31.5 yrs.; Cheryl LaBash, Building & Construction, 30 yrs.; Bryant Harris, DDOT, 30 yrs.; Walter S. Blaney, DWSD, 28.5 yrs.; Cynthia Blair, widow of DPD officer of 33 yrs.; Belinda A. Myers-Florence, Human Services, 35 yrs. 9 mo.; Jesse J. Florence, Transportation, 36 years; Joyce Griffin-Sole, DDOT, 21 yrs.